

The Honorable Brian D. Lynch
Tacoma
Hearing Date: November 10, 2010
Hearing Time: 9:00 a.m.
Responses Due: November 3, 2010

UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF WASHINGTON
AT TACOMA

In Re:

HAWKS PRAIRIE INVESTMENT, LLC
Debtor.

Case No. 10-46635-BDL

DECLARATION OF CRAIG KENNEDY
IN SUPPORT OF MOTION FOR RELIEF
FROM STAY

Craig Kennedy under penalty of perjury states:

1. I am Vice President and Special Assets Officer at HomeStreet Bank, the moving party in this matter.
2. HomeStreet Bank holds the following obligations from the debtor.

First Lien: #RC80607	Current balance:	\$13,938,884.06
Second Lien: #RC80970	Current balance:	\$ 2,373,838.65
Fourth Lien #RC80971,	Current balances:	\$6,261,864.37
#RC80971AC		\$10,292,031.51
Advances:		\$22,531.45
3. The total obligations to HomeStreet bank as of September 30, 2010 including some legal fees equals: **\$33,038,438.57**

Kennedy Declaration in Support of Motion for Relief from Stay - 1

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4. Note 80607 was executed in favor of HomeStreet Bank on October 18, 2005 in the principal amount of \$15,000,000. The note is secured by a deed of trust of the Dated October 18, 2005 and recorded October 27, 2005 under recording numbers 3779572, 3779573, 3779574, 3779575. Obligor under the Note and Grantor on the Deed of Trust is the debtor, Hawks Prairie Investment, LLC. **Exhibits A and B.**
5. Note 80770 was executed in favor of HomeStreet Bank on October 24, 2008 in the principal amount of \$2,000,000. The Note is secured by a deed of trust dated September 26, 2007 and recorded under recording number 3974435. Obligor under the Note and Grantor on the Deed of Trust is the debtor, Hawks Prairie Investment, LLC. **Exhibits C and D.**
6. Note 80971 was executed in favor of HomeStreet Bank on October 24, 2008 in the principal amount of \$6,500,000. The Note is secured by a deed of trust dated October 24, 2008 and recorded under recording number 3974435. Obligor under the Note and Grantor on the Deed of Trust is the debtor, Hawks Prairie Investment, LLC. The Deed of Trust also secured additional debt "Associated Loans" in the approximate sum of \$10 million. As specified in the Sort Form Loan Agreement dated October 24, 2008. **Exhibits E, F and G.**
7. HomeStreet Bank has an assignment of an interest in a Third lien deed of trust in the approximate minimum amount of: \$12,800,000.00.
8. The total debt secured by the four liens on the property is in excess of: \$45,838,438.57.
9. According to the Banks most recent appraisal the value of the collateral is: \$31,900,000 less than the total of the HomeStreet Notes. See, Declaration of Andrew T. Robinson.
10. The Notes referenced herein are guaranteed by a number of individuals including the

1 principal member of the debtor, Tri Vo.

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3 11. The obligations are also secured by Security Agreements and UCC-1 filings against any
4 personal property located on or related to the real property or the development project of
5 the debtor. **Exhibit H.**

6 12. The collateral for the property is a large parcel of real property located in Lacey,
7 Washington near the I-5 Interstate Highway. The property has been deemed single asset
8 real estate by prior order of this Court.

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10 13. There are substantial unpaid real property taxes on due for the subject property for 2009
11 and 2010.

12 14. All of the loans listed herein are in default.

13 DATED this 6th day of October, 2010.

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16 /s/ Craig Kennedy
17 Craig Kennedy, Vice President
18 HomeStreet Bank
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